

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF REVENUE  
DIVISION OF LOCAL SERVICES**

PROPERTY TAX BUREAU  
Informational Guideline Release (IGR) No. 89-207  
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**Optional Additional Real Estate Exemptions**

For Those Qualified under Section 5 of G.L. Ch 59  
Chapter 126 of the Acts of 1988

(Amending Section 4 of Chapter 73 of the Acts of 1986)

**SUMMARY:**

Section 4 of Chapter 73 of the Acts of 1986 authorizes cities and towns certified by the Commissioner of Revenue to be assessing all property at its full and fair cash value, and which accept the provisions of that act, to grant additional real estate tax exemptions. Such additional exemptions may be granted to persons who qualify for property tax exemptions under Clauses 17, 17C, 7C½, 17D, 22, 22A, 22B, 22C, 22D, 22E, 37, 37A, 41 41B, and 41C of Section 5 of Chapter 59 of the General Laws (the exemptions for persons).

Under the provisions of Chapter 73 of the Acts of 1986 as amended by Chapter 126 of the Acts of 1988, a city or town may accept the new law each year by vote of the local appropriating authority, which is defined as a majority vote at town meeting in a town, the mayor with the approval of the city council in a city, and the town council in a municipality having such form of government prior to this change, the optional exemption adoption in a town was by the Board of Selectmen.

**DISCUSSION:**

Chapter 126 merely changes the method of acceptance. The rest of the law, Chapter 73 of 1986, remains the same. Below is a summary of the provisions of Chapter 73:

1. Be uniform for all exemptions. That is, it must be identical in percentage, e.g., a 60% increase in all exemptions could be granted to all eligible exemption applicants.
2. Not exceed the Ch. 59 S. 5 exemptions for which the taxpayer qualifies. An applicant can receive no more than twice the statutory amount for the exemption.
3. An applicant cannot pay less than what was paid in the preceding year on the property. EXAMPLE: The city council votes to adopt the additional options exemption of 60% for FY 1989. As a result, a clause 22 veterans' applicant would receive a \$280 exemption (\$175 plus 60% of \$175). A clause 41B applicant over age 70 would receive an \$800 exemption (\$500 plus 60% of \$500). If the clause 41B applicant had a net tax bill in FY 1988 for \$750, his FY 1989 net tax could not be less than \$750. The exceptions to this are: a hardship exemption, a paraplegic abatement or an exemption for the surviving spouse or surviving minor children of a police officer or firefighter killed in the line of duty.

**GUIDELINES:**

1. The optional additional exemption may be granted only while the Commissioner's certification that the city or town is assessing at full and fair cash value is in effect.
2. The annual approval by the local appropriating authority must be made prior to the certification of the tax rate, as the Commissioner must determine that sufficient sums have been provided to cover the costs of locally accepted exemptions....
3. The requirement is that the exemptions be uniform, not that they be equal. The additional exemption, therefore, may be a percentage of the Section 5 exemption for which the taxpayer qualifies, e.g., any percentage up to 100% of the underlying statutory amount.

4. There is no state reimbursement for the additional exemption.
5. If the optional exemption is adopted, the assessors must notify the Commissioner of such action. A notification of acceptance must be submitted, together with a copy of the vote, certified by the city or town clerk or the clerk of the local appropriating authority.

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The Division of Local Services is responsible for oversight of and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

The Division regularly publishes IGRs (informational Guideline Releases detailing legal and administrative procedures) and the BULLETIN (announcements and useful information) for local officials and others interested in municipal finance.

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